UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/47/7/Add.1
7 October 1992

ORIGINAL: ENGLISH

Forty-seventh session
Agenda items 103, 104 and 110

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

PATTERN OF CONFERENCES

Revised estimates as requested by the General Assembly in resolutions 46/185 and 46/232

Section 15. United Nations Conference on Trade and Development Report of the Secretary-General on the thirteen posts formerly attached to the subprogramme on Trade among countries having different economic and social systems

Review of the Office of Conference Services

Second report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General in which he submits revised estimates as requested by the General Assembly in resolutions 46/185 and 46/232 (A/C.5/47/2 and Corr.1). The Committee also considered the Secretary-General's reports relating to the United Nations Conference on Trade and Development (UNCTAD) (sect. 15) (A/C.5/47/7) and the Office of Conference Services (A/47/336).

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I. REVISED ESTIMATES (A/C.5/47/2 and Corr.1)

2. In resolution 46/232 of 2 March 1992, the General Assembly requested the Secretary-General to submit a report "on the programmatic impact as well as the financial implications of organizational changes involved in his initiatives and the progress attained in accordance with the present resolution". However, the Secretary-General states in paragraph 2 of document A/C.5/47/2 that his report is centred on the financial aspects of the restructuring of the Secretariat undertaken to date which involved "changes in the organizational structure of the Secretariat at Headquarters, the abolition of a number of high-level posts and the redistribution of Professional and General Service posts". According to the Secretary-General, the programme of activities adopted by the General Assembly in the programme budget for the biennium 1992-1993 has not been directly affected by the restructuring and "the future programmatic consequences of the reorganization of the Secretariat are covered in the revisions to the medium-term plan for the period 1992-1997 to be considered by the General Assembly at its forty-seventh session" (A/C.5/47/2, para. 2).

3. As indicated in paragraph 3 of the report of the Secretary-General, the first phase of the restructuring, on which the revised estimates are based, related only to the Secretariat at Headquarters; in this connection, the Secretary-General states that the structure of the new or enlarged departments (which are outlined in paragraph 3 of the report) remains to be finalized and that "a review of the functioning and staffing of departments and offices away from Headquarters has been initiated and will be pursued within the perspective of further steps in the restructuring of the Secretariat. Specific results might be reflected in the current programme budget through additional revised estimates or in the next programme budget". The Secretary-General adds that "the main provisions of the outline for the programme budget for 1994-1995 will have to be considered in this perspective" (A/C.5/47/2, para. 25).

4. In addition to the above-mentioned organizational changes, 18 high-level posts enumerated in paragraph 6 of the report were abolished, resulting in an estimated direct savings of $4.4 million. As shown in table II of the report, that amount is slightly offset by an increase of $134,500 under the heading of transfers between sections, which the Committee was informed relates to proposed tranfers of posts to other duty stations.

5. With regard to the transfer of posts, the Secretary-General states that since consolidation was one of the major thrusts of his initiative, the great majority of the Professional posts affected by the restructuring were simply reassigned to the new or enlarged departments; however, 18 Professional posts, mostly with their incumbents, were redeployed among those departments and offices (A/C.5/47/2, para. 9). This was in large measure the result of the redistribution of the functions of the former Office for Research and the Collection of Information (ORCI). In addition, the Advisory Committee was informed that 74 vacant posts were identified for redeployment following an analysis of the staff resources available to departments. Nine of these were

immediately redeployed as described in paragraph 9; as stated in paragraph 22, the remaining posts (i.e., 65) and their related resources appear under their departments or offices of origin in the relevant tables provided in the Secretary-General's report. A breakdown by section of the initial 18 redeployments and the subsequent 9 redeployments is provided in table IV of the Secretary-General's report; the treatment of the remaining 65 posts is discussed in paragraphs 8 and 9 below.

6. As shown in table II of the report, the appropriations approved by the General Assembly in resolution 46/182 related to 36 expenditure sections of the programme budget; as also shown in table II, the revised estimates relate to 41 sections. In this connection, the Secretary-General notes in paragraph 13 that, for the purpose of the revised estimates, it was decided to make the transfers of posts and resources effective 1 July 1992. The 41 sections include both the original 36 sections and the new sections, it being understood that the resources allotted to the original structure of 36 sections for the period 1 January 1992-30 June 1992, and administered accordingly, will remain as charges to those sections; i.e., the final expenditures will subsequently be reflected in the final performance report for the biennium. In other words, to maintain the proper recording of expenditures in 1992, the 36 original sections have been maintained. As stated in paragraph 14 of the report, a review of the section structure will take place in the context of the preparation of the proposed programme budget for 1994-1995.

7. Table II of the Secretary-General's report provides, in financial terms, a comparison between the orginal appropriation by section and revised estimates for 27 budget sections; this is supported by narratives by budget section. In paragraph 98, the Secretary-General requests the General Assembly to approve the transfers between budget sections, noting that the net reduction resulting from the transfers and the savings generated by the abolition of high-level posts is estimated at $4,307,500.

8. In addition to the above, the Secretary-General's report includes a discussion/proposal on the treatment of vacancies in the Secretariat (A/C.5/47/2, paras. 16-24). As mentioned above, a total of 74 vacant posts were identified for redeployment, 9 of which were immediately redeployed and reflected as such in the Secretary-General's report. In paragraph 23 the Secretary-General states that some of the remaining posts (i.e., 65) "might be redeployed, or used in their departments of origin, for a short period or for the remaining part of the biennium before these revised estimates are considered by the General Assembly". He goes on to explain that the Assembly would be informed accordingly of such decisions which would be taken in relation to the immediate needs of various parts of the Secretariat. In this connection, the Committee was informed that as of 25 September 1992, 22 of the 65 posts have been temporarily redeployed for an initial period of six months as shown in the table below:

Redeployment of vacant posts as of 25 September 1992

	Posts
Department of Political Affairs	6
Centre for Human Rights	5
Office of the Secretary-General	4
Department of Peace-keeping Operations	2
Department of Humanitarian Affairs	2
Others	3
Total	22

9. As also indicated in paragraph 23 of the report, the Secretary-General, bearing in mind the decisions taken by the General Assembly at its forty-seventh session, would propose to use the remaining posts "in the light of new initiatives and emerging mandates and priorities".

10. In the opinion of the Secretary-General, this treatment of vacancies has been "prompted by financial and other constraints as well as by the need to increase flexibility in the use of limited human resources" (A/C.5/47/2, para. 24). With regard to the latter point, he emphasizes the "difficulty of establishing a precise relationship between staff resources and specific mandated activities"; moreover, because techniques such as workload analysis remain imperfect, that relationship is not scientific (ibid., para. 18).

11. The Secretary-General goes on to explain that "the current mechanisms for adjusting staff resources to changing requirements are the statements of programme budget implications through which the Secretary-General may seek additional posts, and the transfer of posts as well as other resources from one section of the budget to another, which requires the approval of the General Assembly or the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in between sessions of the Assembly". Such mechanisms do not, in the opinion of the Secretary-General, permit a rapid response to changing needs and circumstances (A/C.5/472, para. 18).

12. That being the case, the Secretary-General, as mentioned above, sees a need for increasing his flexibility; in this connection he suggests establishing "an internal procedure through which the continuing relevance and rational use of posts that become vacant during the course of the biennium would be examined". In his opinion, "such assessments would make it possible to determine if vacant posts should be filled in the programmes in which they were initially budgeted, should be transferred immediately to another programme or should be temporarily frozen. The resulting transfers of posts between sections of the programme budget would be reported to the Assembly through ACABQ". In this connection, the Secretary-General states his intention to elaborate the practical modalities for implementing this approach including the appropriate involvement of ACABQ and the Assembly (A/C.5/47/2, para. 24).

Observations of the Advisory Committee

13. The Advisory Committee's consideration of the Secretary-General's report was hampered in large part because of the lack of information therein. Notwithstanding the Secretary-General's statement that the programme of activities has not been directly affected by the restructuring (A/C.5/47/2, para. 2), the Advisory Committee regrets that some information in this regard was not included. That same regret was expressed by the Committee for Programme and Coordination (CPC), which recommended that the General Assembly be provided with information on the programmatic aspects of the revised estimates (A/47/16 (Part II), para. 262).

14. The Committee also regrets the lack of information regarding the structure and functioning of the new departments and offices, as well as a functional justification in respect of the redeployment of posts. In this connection, the Committee was informed that because the process of restructuring was ongoing and not yet completed, the Secretariat had not been in a position to provide such information. The Committee points out that the process of restructuring must have been preceded by an analysis and is therefore of the view that information in this regard should have been provided. In any case, the Committee was informed that, bearing in mind the request of both CPC and ACABQ, an attempt would be made to provide additional information to the General Assembly. The Committee was also informed of the Secretary-General's intention to report to the Assembly on the results of additional proposals for restructuring. In the opinion of the Committee, it is essential that such reports contain the necessary clarification and justification to enable the Assembly to determine the impact of the restructuring exercise on the effective and efficient use of resources; the Committee will comment as appropriate.

15. Meanwhile, the Committee would wish to point out that it appreciates the practical difficulties which would result in the event that the budget structure fails to correspond to the organizational structure of the Secretariat (e.g., with regard to the issuance of allotments, performance reporting and auditing).

16. The Advisory Committee notes that the reduction in the number of high-level posts which has been recommended by CPC in its report (A/47/16 (Part II), para. 261), would entail a savings of $4,442,000 which would impact on the final resources for the biennium 1992-1993. Other adjustments, such as those included in the performance reports, will be necessary. In this connection, the Committee points out that the savings arising from vacancies will be dealt with in the context of the first performance report.

17. As mentioned above, the Secretary-General's report contains, in addition to the revised estimates *per se*, his proposal concerning the treatment of vacant posts in the light of his stated need to increase flexibility in the use of human resources; the Advisory Committee also has a number of observations to make in this regard.

18. The Advisory Committee discussed this matter at length with representatives of the Secretary-General, who provided the Committee with a number of clarifications.

19. As mentioned above, the current procedure governing the transfers of posts/resources requires the approval of the General Assembly/ACABQ; this is in conformity with financial regulation 4.5 and rule 104.4. In this connection, representatives of the Secretary-General stressed that the Secretary-General's report does not propose any change in the regulation/rule; indeed, the intent is to use them to a greater extent, it being the Secretary-General's view that, in an Organization with expanding mandates in a number of areas, transfer of resources should be a normal practice.

20. Representatives of the Secretary-General explained that the authority for most transfers is currently done on an ex post facto basis through the submission of expenditure reports on each section after the accounts are closed; in other words, contrary to the spirit of financial regulation 4.5 and rule 104.4, there is no meaningful involvement of the General Assembly or ACABQ regarding the transfer of resources/posts during the execution of a programme budget. However, it would be the Secretary-General's intention to apply the provisions of the above-quoted financial regulation and rule.

21. Representatives of the Secretary-General also informed the Committee that at present there are a number of temporary redeployments/loans of staff members (rather than posts) among departments, but these do not respond to a central policy on needs and priorities, nor are they properly monitored. It would be the Secretary-General's intention to develop this practice and monitor it centrally.

22. Representatives of the Secretary-General stressed that the proposal of the Secretary-General, as explained in his report, would ensure that when a post becomes vacant, its continued relevance for the programme in which it was budgeted would be examined. The Committee was informed that, subject to this examination, the expectation was that in the majority of cases the posts would remain in their department of origin and the normal procedure for internal promotion or external recruitment would apply, or posts would be proposed for transfer to other sections in conformity with the above-mentioned financial regulation and rule.

23. The Committee was informed that the rationale for more transfer of resources among sections and for a greater mobility of staff and posts is to increase the capacity of the Secretariat to implement the mandates entrusted to the Organization by Member States.

24. Bearing in mind its comments and observations with respect to the proposals of the Secretary-General, including those related to flexibility, the Advisory Committee intends to revert to this matter in the context of the further report to be submitted by the Secretary-General on additional proposals for restructuring. Furthermore, the Committee requests additional information relating to: (a) the difficulties faced in the implementation of

existing financial regulations and rules governing the redeployment of resources/posts among sections; (b) the section-wise structure of the proposed programme budget for 1994-1995; and (c) a breakdown of vacancies by section of the budget and specific justification for the proposed redeployment of posts.

II. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (A/C.5/47/7)

25. As noted in paragraph 1 of the Secretary-General's report (A/C.5/47/7), pursuant to General Assembly resolution 46/185 C, section IX, proposals for 1993 are submitted with regard to the 13 posts relating to programmes 13 and 14 of the programme budget and enumerated in paragraph 2 of the Secretary-General's report.

26. As stated in paragraph 8, the Secretary-General "proposes to extend all the 13 posts ... through 1993 on a temporary basis and to make proposals concerning the future status of those posts in the context of the programme budget proposals for the biennium 1994-1995, in the light of the results of the internal review of the UNCTAD secretariat". The financial implications that extending these posts for one year through 1993 would entail are estimated at $1,311,000, as outlined in paragraph 10 of the report; in addition, an amount of $306,100 for staff assessment would be required under section 36, to be offset by an increase in the same amount under income section 1.

27. The Advisory Committee notes from paragraph 12 of the report that the Secretary-General proposes to finance this extension by use of any vacant posts in UNCTAD which, following the review of its secretariat currently under way, might be identified as available for redeployment; in addition, vacancies from other sections of the budget would be utilized on a temporary basis to finance any of the 13 posts not financed through vacancies in UNCTAD.

28. The Advisory Committee has no objection to this course of action on the understanding that details will be provided, in due course, in respect of the redeployments and that no additional appropriations would be required for this purpose under section 15.

III. REVIEW OF THE OFFICE OF CONFERENCE SERVICES (A/47/336)

29. As recalled in paragraph 1 of the Secretary-General's report (A/47/336), the review of the Office of Conference Services was undertaken pursuant to General Assembly resolution 46/190 of 20 December 1991, in which the Assembly, inter alia, requested the Secretary-General to submit his recommendations to the General Assembly through both the Advisory Committee and the Committee on Conferences.

30. The comments of the Committee on Conferences on the review are contained in its report (A/47/32, sect. IV); the Advisory Committee considers that the Secretary-General could have been more forthcoming in his proposals.

31. The Advisory Committee notes that the Secretary-General refers to a number of areas where productivity gains have been realized following the introduction of technological innovations; in other areas, such gains are anticipated. However, an attempt should have been made to quantify such gains, as difficult as that task might have been; the Committee trusts that more information will be provided in the context of the proposed programme budget for the biennium 1994-1995.

32. The Secretary-General states that none of the recommendations proposed for implementation during 1992-1993 has financial implications in that they either do not involve expenditures or they are to be implemented within the financial resources provided for in the 1992-1993 budget. Notwithstanding the above, the Committee is of the view that, with regard to problems identified in the report or areas which would benefit from additional work, the provision of statistical supporting data would have enhanced the report.

33. With regard to the biennium 1994-1995, the Secretary-General states that possible innovations or reforms highlighted by the review will be studied further, in the context of the overall resource availability and other priorities for possible inclusion in the proposed programme budget for 1994-1995. As stated in paragraph 39 of the report, these include, inter alia, development of subsystems for the Documents Records, Information and Tracking System (DRITS). The Advisory Committee points out that the development of a subsystem in Vienna relates to the overall question of conference services in Vienna, a matter on which the Committee will again be reporting in due course.